

**CITY OF EL PASO, TEXAS
REQUEST FOR COUNCIL ACTION (RCA)**

DEPARTMENT: COMPTROLLER'S

AGENDA DATE: DECEMBER 13, 2004

CONTACT PERSON/PHONE: BYRON E. JOHNSON, C.P.M. 

DISTRICT(S) AFFECTED: ALL

SUBJECT:

APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

Award to Wells Fargo Bank , Application for Depository. \$292,000 Estimated Annually

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

The Review Committee based on evaluation factors established for this Application for Depository, recommend that Wells Fargo Bank be named as the City of El Paso Depository. This is a two (2) year contract with the option to extend for two (2) additional years.

Additional, it is requested authorization for City staff to negotiate, City Attorney's Office to review, and the Mayor/City Manager be authorized to execute any related contract documents and agreements and signature authorites as necessary during the Contract.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

Yes, prior Contract

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

Compensating Balance

BOARD / COMMISSION ACTION:

Enter appropriate comments or N/A

*****REQUIRED AUTHORIZATION*****

DATE: December 13, 2004
TO: Municipal Clerk
FROM: Byron E. Johnson, C.P.M.
Director of Purchasing x 4313
THRU: Aurora Wells
Bid Clerk ext. 4038



Please place the following item on the **REGULAR** agenda for the Council Meeting of **DECEMBER 21, 2004**.

Item should read as follows:

RECOMMENDATION:

<u>Application:</u>	<u>City Depository Contract</u>
<u>Award to:</u>	<u>Wells Fargo Bank</u>
	<u>El Paso, Texas</u>
<u>Item (s):</u>	<u>All</u>
<u>Department:</u>	<u>Comptroller</u>
<u>Funds available:</u>	<u>Yes</u>
<u>Funding source:</u>	<u>Compensating Balances</u>
<u>Total Amount:</u>	<u>\$292,000.00 (estimated annually)</u>
<u>District (s):</u>	<u>All</u>

The Review Committee based on evaluation factors established for this Application for Depository, recommend that Wells Fargo Bank be named as the City of El Paso Depository. This is a two [2] year contract with the option to extend for two [2] additional years.

Additional, it is requested authorization for City staff to negotiate, City Attorney's Office to review, and the Mayor/City Manager be authorized to execute any related contract documents and agreements and signature authorities as necessary during the Contract.

Contact person: Bryon E. Johnson, C.P.M. Director of Purchasing at 541-4313 and
Carmen Arrieta-Candelaria, Comptroller at 541-4435.

AGENDA FOR: **DECEMBER 21, 2004**

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD: _____

(Example: *if RCA is initiated by Purchasing, client department should sign also*
Information copy to appropriate Deputy City Manager)

APPROVED FOR AGENDA: _____

CITY MANAGER: _____

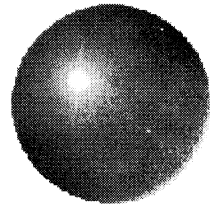
DATE: _____

Council Agenda for December 21, 2004

AWARD: Application For Depository:
Award to: Wells Fargo Bank
El Paso, TX
Item(s) All

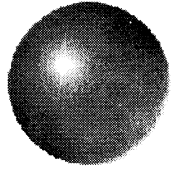
This is a two [2] year contract with the option to extend for two [2] additional years.

Department: Comptroller
Funds available: N/A
Funding source: N/A
Total Award: \$292,000.00 Estimated Annually
District(s): All



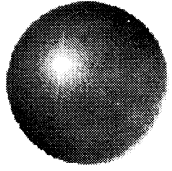
City of El Paso
Application for Depository
Agreement

Presented by Comptroller's Department
For Council Action – December 21, 2004



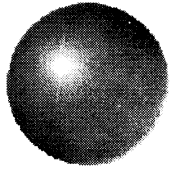
Rating Team

- ✦ Carmen Arrieta-Candelaria, Comptroller
- ✦ Blanca Lorkowski, Treasury Manager
- ✦ Martha Sanchez, Tax Office
- ✦ Claudia Chavez, Tax Office
- ✦ Tony Montoya, Information Technology



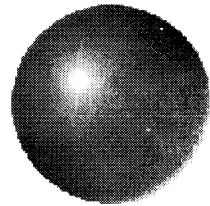
Application Review Approach

- ✦ Selected key areas to rate services provided
- ✦ Analyzed fees and compared pricing for services selected

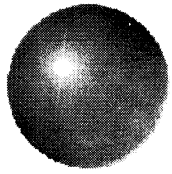


Rating Focus Areas

- ⊕ Monthly Maintenance Fees
- ⊕ Payments On-Line
- ⊕ Procurement Card System
- ⊕ Remote Deposit System
- ⊕ Merchant Fee
- ⊕ Collateralization Costs
- ⊕ Lockbox and Tax Collection Services
- ⊕ Community Involvement



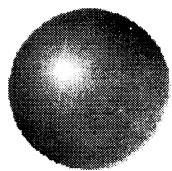
Monthly Maintenance Fees



Payments On-Line

	Wells Fargo	JPMorgan Chase	Bank of America
Implementation fee (One-time)	Waived	Between \$10,000 - \$17,000	Waived
Web-system for Payments	Yes	Yes	Yes
IVR System Available	Yes	Yes	Yes
Monthly Maintenance Fee	\$300; per transaction pricing	\$750; per transaction pricing	\$250; per transaction pricing
Convenience Fee or Merchant Fee Based	Yes	Yes	Yes
Bilingual Available	Yes	Yes	Yes
Ranking	2	1	3

Ratings: 3-Highest; 1-Lowest

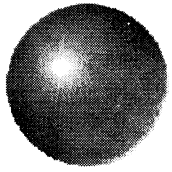


Procurement Card System

	Wells Fargo	JPMorgan Chase	Bank of America
Implementation fee (One-time)	None	None	None
On-Line System	Yes	Yes	Yes
Cost per transaction	None*	None	None
Rebate	60-75 basis points	Per rebate schedule of State System	75 basis points; follows State rebate schedule after this
Rebate limits	City must expend \$5million to receive rebate	None	None
Sample regarding \$1million annual purchases	None up to \$5million; \$6,000 per million	Between \$4,000 and \$4,800 depending on average transaction size	\$7,500
Ranking	1	2	3

Ratings: 3-Highest; 1-Lowest

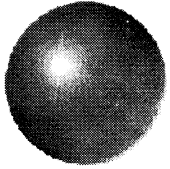
*No cost for program if transactions are an average of \$200,000 per month.



Remote Deposit System

	Wells Fargo	JPMorgan Chase	Bank of America
Implementation fee (One-time)	\$2,400	\$3,000	Waived
Hardware Cost per Unit	Rental; \$92/monthly	\$845	\$1,100
Maintenance for Software Installation	None	\$180	Waived
Transactions fees	Varied; \$.095 to \$.20	Varied; \$.02-\$.55	Tiered Pricing; \$.09-\$.15
Monthly ACH Fee (Per Location)	Monthly Rental Above	\$80 per location	\$150 City-wide fee; \$15 per location
Ranking	1	2	3

Ratings: 3-Highest; 1-Lowest

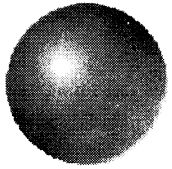


Merchant Fee(Credit Card Processor)

	Wells Fargo	JPMorgan Chase	Bank of America
Processing Cost Rate	1.36%	1.69%	1.53%
Yearly Processing Volume Cost*	\$68,925	\$85,649	\$77,540
Total Cost for four years	\$275,699	\$342,596	\$310,161
Ranking	3	1	2

*Based on current yearly processing volume of \$5,067,993

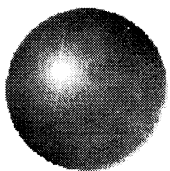
Ratings: 3-Highest; 1-Lowest



Collateralization Costs

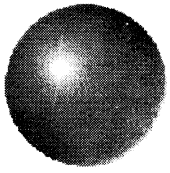
	Wells Fargo	JPMorgan Chase	Bank of America
102% Requirement Met	Yes	Yes	Yes
Time to Adjust Collateral	Daily Adjustment	Within 2 Business Days	Daily Adjustment; 24 Hour Notice
Fees for Excess Collateral	25 basis points for excess collateral*	None specified	25 basis points for excess collateral*
Ranking	2	3	1

*Although BOA and Wells Fargo charges 25 basis points for excess collateral, the City does not expect to pay for these type of fees since the City employs a full-time Treasury Manager who monitors this position on a daily basis. This fee was not taken into consideration in the overall fee comparison.



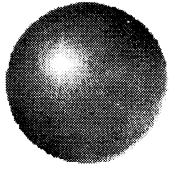
Lockbox Services

	Wells Fargo	JPMorgan Chase	Bank of America
Monthly Cost of Lockbox	\$3,840	\$3,942	\$3,914
Total Cost of Lockbox for 4 years	\$184,320	\$189,216	\$187,872
Programming/Set-Up fees	None	None	None
Location of Processing Center	Phoenix, AZ	Dallas, TX	Phoenix, AZ
Third-Party Provider	Regulus	None; JPMorgan Chase	Regulus
Ranking	3	1	2



Tax Collection Services

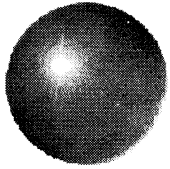
	Wells Fargo	JPMorgan Chase	Bank of America
Full Service Banking Centers	12	8	9
Mobile Banking Services During Last Three Tax Collection Days	Yes	No	Yes
Ranking	3	1	2



Community Involvement

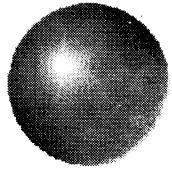
	Wells Fargo	JPMorgan Chase	Bank of America
Financial Support to Nonprofit Organization in El Paso Community	\$901,161	\$708,450	\$110,000
# of Employees in El Paso	470	206	195
Ranking	3	2	1

Ratings: 3-Highest; 1-Lowest



Summary Ratings Matrix

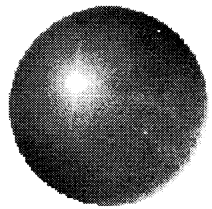
	Wells Fargo	JPMorgan Chase	Bank of America
Monthly Maintenance Fees	3	1	2
Payments On-Line	2	1	3
Procurement Card System	1	2	3
Remote Deposit System	1	2	3
Merchant Fee	3	1	2
Collateralization Costs	2	3	1
Lockbox	3	1	2
Tax Collection Services	3	1	2
Community Involvement	3	2	1
Rating on Services	21	14	19



Summary Cost Matrix

	Wells Fargo	JPMorgan Chase	Bank of America
Monthly Maintenance Fees	\$644,771	\$686,294	\$653,018
Merchant Fees	\$275,699	\$342,596	\$310,161
Lockbox	\$184,320	\$189,216	\$187,872
Estimated Costs	\$1,104,790	\$1,218,106	\$1,151,051

Note: Costs are for a four year contract. Costs for other services were not included since the City is not currently utilizing those services. The cost component, however, was taken into consideration during the rating portion of the assessment.



Questions?

City of El Paso
 Depository Agreement Ranking
 Monthly Maintenance Fees

	Wells Fargo	JPMorgan Chase	Bank of America
Gross Monthly Fee	\$ 14,394.97	\$ 15,747.70	\$ 14,511.52
Total for 48 months	\$ 690,958.56	\$ 755,889.60	\$ 696,552.96
Less: 3 months of fees	\$ -	\$ -	\$ 43,534.56
Adjusted Monthly Fees	\$ 690,958.56	\$ 755,889.60	\$ 653,018.40
Net Average Monthly Fee	\$ 14,394.97	\$ 15,747.70	\$ 13,604.55
Compensating Balances:			
CB at ECR at 1.7%	\$ 10,161,155.29	\$ 11,116,023.53	\$ 10,243,425.88
CB with adjusted ECRs	\$ 7,851,801.82	\$ 8,216,191.30	\$ 10,243,425.88
Difference	\$ 2,309,353.48	\$ 2,899,832.23	\$ -
Additional Earned Interest for 4 years	\$ 46,187.07	\$ 69,595.97	\$ -
Average Additional Earned Interest	\$ 962.23	\$ 1,449.92	\$ -
Adjusted Monthly Average Fee	\$ 13,432.74	\$ 14,297.78	\$ 13,604.55
Total Fees for 4 years as Adjusted	\$ 644,771.49	\$ 686,293.63	\$ 653,018.40
Current Fees:			
Comptroller	248,000.00	248,000.00	248,000.00
Tax	44,000.00	44,000.00	44,000.00
Total per Annual	292,000.00	292,000.00	292,000.00
Total for 4 years - Current	1,168,000.00	1,168,000.00	1,168,000.00
Projected Total Savings	(523,228.51)	(481,706.37)	(514,981.60)
Savings annually	(130,807.13)	(120,426.59)	(128,745.40)
Ranking	3	1	2

Zoo Program Budget Meeting

12/13/2004

New Entry Construction Budget vs. A/E Estimate:

City Construction Budget		A/E Estimate	Variance
\$ 2,627,296		\$ 3,589,179	(\$961,883)
		A/E Estimates	FFE
Site Development		\$ 302,750	
Area Development		\$ 556,504	
Ticketing Shade Queue Structure		\$ 94,455	
Ticketing/Guest Services		\$ 360,430	\$ 46,730
Conservation Action Station		\$ 12,832	
Zoological Society Building		\$ 316,709	\$ 26,626
Education Animal Holding		\$ 312,595	\$ 41,500
Education Building		\$ 325,000	
		<u>\$ 2,281,275</u>	<u>\$ 114,856</u>
Mark-Ups	8%	\$ 182,502	
	10%	\$ 228,128	
	3%	\$ 68,438	
	1%	\$ 22,813	
	5%	\$ 114,064	
		<u>\$ 2,897,219</u>	

City Construction Budget	\$ 2,627,296
Variance	\$ (269,923)

Additional Funds:

Support Facilities Savings	\$ 200,000
Grant & Matching Funds	\$ 125,000
	<u>\$ 325,000</u>

Budget Under Budget	<u>\$ 55,077</u>
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SSA Concesionaire Elements	Morris Arch Est.	SSA
Restaurant Dining	\$ 383,922	\$ 382,000
Retail Merchandise	\$ 274,195	\$ 315,000
	<u>\$ 658,117</u>	<u>\$ 697,000</u>

Mark-Ups	8%	\$ 52,649
	10%	\$ 65,812
	3%	\$ 19,744
	1%	\$ 6,581
	5%	\$ 32,906
		<u>\$ 835,809</u>

Additional Funds:

SSA Contibution	\$ 697,000
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Budget Overrun	<u>\$ (138,809)</u>
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Africa Expansion Construction Budgets vs. A/E Estimates:

City Construction Budget	A/E Estimate	Variance
\$10,856,686	\$ 11,209,649	\$ (352,963)

1)		A/E Estimate
	Sitework	\$ 7,026,238
	Mandrill Building	\$ 64,708
	Mandrill Aviary	\$ 23,450
	Bird Building	\$ 33,191
	Hoofed Stock Building	\$ 279,088
	Hoofed Stock Hay Storage	\$ 26,971
	Giraffe Building	\$ 190,297
	Giraffe Hay Storage	\$ 17,996
	Warthog Building	\$ 53,763
	Wild Dogs Building	\$ 45,119
	Lions Building	\$ 210,674
	Lemurs Building	\$ 33,111
	Lemurs Aviary	\$ 20,750
	Pumphouse	\$ 21,821
	Lion Viewing Building	\$ 109,438
	Restroom Building	\$ 96,401
	Field Station	\$ 296,046
	Birds Wetland Holding	\$ 12,707
	Palaver Hut	\$ 36,033
	Nile Crocodile Holding Building	\$ 53,331
		<u>\$ 8,651,133</u>

Mark-Ups	8%	\$ 692,091
	10%	\$ 934,323
	3%	\$ 308,326
	1%	\$ 89,980
	5%	\$ 533,793
		<u>\$ 11,209,646</u>

City Construction Budget	\$10,856,686
Variance	\$ (352,960)

2)	Train Bed & Stone	\$ 5,432
	Train Tunnel	\$ 190,350
	Train Tressle	\$ 25,000
	Train Lion Viewing	\$ 35,000
	Train Depot	\$ 201,600
		<u>\$ 457,382</u>
	Mark-Ups	8%
		\$ 36,591
		10%
		\$ 45,738
		3%
		\$ 13,721
		1%
		\$ 4,574
		5%
		\$ 22,869
		<u>\$ 580,875</u>
	SSA	
	Concessionaire	
	Proposal	\$ 35,000
		\$ 35,000
	Variance	\$ (545,875)

Design -

650 -